



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 14.2.2**  
**Halifax Regional Council**  
**January 10, 2017**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed  
\_\_\_\_\_  
Councillor Bill Karsten, Chair, Audit & Finance Standing Committee

**DATE:** December 13, 2016

**SUBJECT:** Potential Contribution to the Army Museum  
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**ORIGIN**

December 7, 2016 meeting of the Audit & Finance Standing Committee, Item No. 12.1.6.

**LEGISLATIVE AUTHORITY**

The principle role of the Audit and Finance Standing Committee is to provide advice to Council on matters relating to Audit and Finance. In particular, Section 8 of the Audit and Finance Standing Committee's Terms of Reference shall 'review and make recommendations on proposal coming to the Council outside of the annual budget or tender process.'

**RECOMMENDATION**

The Audit and Finance Standing Committee recommend that Halifax Regional Council provide a one-time grant in the amount of \$25,000 to the Army Museum toward the development of an installation to commemorate the Second World War. Provision of this grant will be dependent on the Museum receiving commitment for equal or greater funding from other orders of government.

**BACKGROUND**

A staff report dated November 24, 2016 pertaining to Potential Contribution to the Army Museum was presented to the Audit & Finance Standing Committee at its meeting held on December 7, 2016.

**DISCUSSION**

The Audit & Finance Standing Committee considered the staff report dated November 24, 2016 and passed a motion approving the staff recommendation.

**FINANCIAL IMPLICATIONS**

As outlined in the attached staff report dated November 24, 2016.

**RISK CONSIDERATION**

As outlined in the attached staff report dated November 24, 2016.

**COMMUNITY ENGAGEMENT**

The Audit & Finance Standing Committee meetings are open to public attendance, a live webcast is provided of the meeting, and members of the public are invited to address the Committee for up to five minutes at the end of each meeting during the Public Participation portion of the meeting. The agenda, reports, minutes, and meeting video of the Audit & Finance Standing Committee are posted on Halifax.ca

**ENVIRONMENTAL IMPLICATIONS**

N/A

**ALTERNATIVES**

The Committee did not discuss alternatives.

**ATTACHMENTS**

1. Staff report dated November 24, 2016.

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Sheilagh Edmonds, Legislative Assistant, 902.490.6520.

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**Item No.**  
**Audit & Finance Standing Committee**  
**December 7, 2016**

**TO:** Chair and Members of Audit & Finance Standing Committee

**SUBMITTED BY:** \_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** November 24, 2016

**SUBJECT:** Potential Contribution to the Army Museum

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**SUPPLEMENTARY REPORT**

**ORIGIN**

In response to a report to Regional Council on May 10, 2016, a motion was passed that Halifax Regional Council request Audit and Finance consider the Army Museum request for a one time capital grant up to \$25,000 contingent on receipt by the municipality of a proposal including a business case as well as successful fundraising by the proponent from Federal and or Provincial Sources and subject to identification of an appropriate funding source.

**LEGISLATIVE AUTHORITY**

Halifax Regional Municipality Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79(1) - Specifies areas that the Council may expend money required by the Municipality; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Reserve Policy - No reserve funds will be expended without the CAO's recommendation and Council approval.

HRM Charter, Section 79 (1) (av) respecting grants and contributions.

**RECOMMENDATION**

It is recommended that the Audit and Finance Standing Committee recommend that Halifax Regional Council provide a one-time grant in the amount of \$25,000 to the Army Museum toward the development of an installation to commemorate the Second World War. Provision of this grant will be dependent on the Museum receiving commitment for equal or greater funding from other orders of government.

## **BACKGROUND**

As noted in the previous report provided to Regional Council on May 10, 2016 (Item 14.1.5), a request from the Army Museum (the Museum) for a capital grant of \$75,000 was not recommended. At that time, reasons noted for the recommendation include the absence in the municipality of a formal grant program to accommodate a funding request of this size, ineligibility under the municipality's Community Grants program, as well as a lack of detailed information from the proponent. Further detail on the project and request is contained in that report.

In response to questions of clarification during the May 10 meeting, Council was advised by the Acting Chief Administrative Officer that a grant to the Museum may be considered via a request to the Audit and Finance Standing Committee for consideration and identification of a funding source. As noted in the previous report, Regional Council does have authority under the HRM Charter to consider requests for funding from charitable organizations, including community and recreational organizations, on a case by case basis. As a result, the motion noted in the origin section of this report was passed by Regional Council. The \$25,000 figure was used to ensure alignment with the capital funding threshold of the Community Grants program.

## **DISCUSSION**

In the upcoming years, Canada will commemorate two significant anniversaries - the Centennial of the First World War (1914-1918) and the 75<sup>th</sup> Anniversary of the Second World War (1939-1945). As noted by the proponent, the 75<sup>th</sup> Anniversary of the Second World War is an important event, as it will be the last anniversary that many veterans will be able to attend. Although the majority of support for this project is expected to be provided by the federal government, there is an opportunity for the municipality to contribute to the recognition of such a significant anniversary. This opportunity is especially relevant since the military has historically played a vital cultural and economic role in Halifax.

Located in the Cavalier Building of the Halifax Citadel, the Army Museum is a registered charity that operates under a fee-for-service agreement with Parks Canada. Operating revenues for the facility are comprised primarily of government grants and public donations. All special displays and exhibitions are totally funded through government programs, corporate fundraising, and donations. The museum houses an extensive collection of artefacts and archival material related to Nova Scotia's military history, and is home to one of the top military artifact collections in Canada.

The Museum had indicated previously that the municipality would be approached as a major sponsor for a project to commemorate the Second World War anniversary. To that end, the Museum provided the initial request noted in the Background section of this report. That request was made through a letter sent to the Mayor's Office in September 2015. No application, detailed proposal, or other supporting documentation was received from the Museum at that time. As a result of the discussion at the May 2016 Regional Council meeting, a package of information was received from the Army Museum in July 2016. The package included further detail on the installation project, a project summary, profile of the applicant's status and experience, and summary of partners and community support.

The latest information received from the Museum included a detailed budget, time lines, and cost breakdown. According to the budget submitted by the proponent, money from sources other than the municipality is required for project completion. At present, the total estimate for completion of the World War Two exhibit is \$411,680, of which \$183,080 is identified as in-kind support. As per the Motion, the finalization of any approved municipal grant will be contingent on the Museum securing commitment for other sources of funding. If approved, the municipal grant will be used for design, development, and production of interpretive panels, and the Museum will be asked to provide confirmation of the expenditures once completed.

The Museum has been in discussion with potential funders, including other orders of government. The package of information received from the Museum includes an excerpt from their application for \$150,000 in federal Canada 150 funding to support the project, which includes reference to a \$25,000 request to

the Halifax Regional Municipality. Moreover, the proponent has begun corporate and community fundraising for the project. As noted in the financial implications section below, a funding source for the proposed \$25,000 municipal grant has been identified within the existing 2016/17 operational budget.

### **FINANCIAL IMPLICATIONS**

The proposed \$25,000 capital grant was originally unbudgeted in 2016/17, but available funding has been identified in Fiscal Services (cost centre M310).

### **RISK CONSIDERATION**

There are no significant risks associated with the recommendation in this Report. The risks considered rate Low.

### **COMMUNITY ENGAGEMENT**

Not applicable.

### **ENVIRONMENTAL IMPLICATIONS**

Not applicable.

### **ALTERNATIVES**

The Audit and Finance Standing Committee may opt to overturn the recommendation and not forward the grant request to Regional Council. This approach would leave the proponent without an indication of municipal support in their request for federal funding, and would create a shortfall in their proposed project budget.

The Audit and Finance Standing Committee may consider a grant amount other than the proposed \$25,000.

### **ATTACHMENTS**

May 10, 2016 (Item 14.1.5)

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A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Paul Johnston, Coordinator of Corporate Affairs, 902.490.6616

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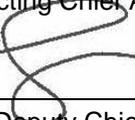
**Item No. 14.1.5**  
**Halifax Regional Council**  
**May 10, 2016**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed by 

**SUBMITTED BY:**

\_\_\_\_\_  
John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by 

\_\_\_\_\_  
Jane Fraser, Acting Deputy Chief Administrative Officer

**DATE:** May 3, 2016

**SUBJECT:** Potential Capital Contribution to the Army Museum

**ORIGIN**

At the February 16, 2016 meeting of Halifax Regional Council (Item 15.1) Councillor Mason tabled the following motion: that Halifax Regional Council request a staff report regarding a possible one time capital contribution to the Army Museum for \$75,000 in matching funds, contingent on successful fundraising from Federal and/or Provincial sources.

**LEGISLATIVE AUTHORITY**

HRM Charter, Section 79 (1) (av) respecting grants and contributions.

**RECOMMENDATION**

It is recommended that Halifax Regional Council not provide the funding requested by the Army Museum, Halifax Citadel.

## **BACKGROUND**

The above motion was brought forward as a result of a letter sent by the Vice Chair of the Army Museum, Halifax Citadel (hereinafter referred to as "the Museum") to the Mayor's Office. The letter includes a request for \$75,000 toward the development of an installation at the Museum to commemorate the Second World War. At this stage, no other written information has been received from the proponent in relation to this specific request.

Located in the Cavalier Building of the Halifax Citadel, the Museum is a registered charity that operates under a fee-for-service agreement with Parks Canada. Operating revenues for the facility are comprised primarily of government grants and public donations. The museum houses an extensive collection of artefacts and archival material related to Nova Scotia's military history.

The Museum has approached the municipality for funding support in previous years, through the Community Grants Program.

In 2011, the Museum was awarded a project grant in the amount of \$3,500 toward construction of a scale model of Melville/Deadman's Island in relation to the War of 1812 commemorative. The grant was conditional upon HRM's contribution not to exceed 50 percent of the project costs. This funding was approved at the May 22, 2012 Regional Council Meeting (Item 11.3.1 - HRM Community Grants Program 2012-2013: Recommended Awards).

The Museum requested a \$25,000 capital grant through the Community Grants Program in 2013/14 to support construction of a scale model for the *Vimy & Beyond* exhibition. The request was declined funding at the June 10, 2013 meeting of the Grants Committee, primarily because the project was deemed ineligible for a capital grant.

## **DISCUSSION**

In the upcoming six years, Canada will commemorate two significant anniversaries - the Centennial of the First World War (1914-1918) and the 75<sup>th</sup> Anniversary of the Second World War (1939-1945). As noted by the proponent, the 75th Anniversary of the Second World War is an important event, as it will be the last anniversary that many veterans will be able to attend. In addition, the military has historically played a vital cultural and economic role in Halifax.

The museum had indicated previously that the municipality may be approached as a major sponsor for a project to commemorate the anniversary. To that end, the Museum is requesting a one-time contribution of \$75,000. Initially, the request was to provide funding of \$25,000 per year over a three year period. However, the Museum has indicated that a single payment may allow the group to take advantage of a Federal funding program that could double Halifax's contribution, hence the request for a one-time investment of \$75,000. At present, the total estimate for completion of the exhibit is \$225,000, with an additional \$225,000 of in-kind support required.

As noted in the Background section of this report, a formal request for the \$75,000 grant has been made through a letter sent to the Mayor's Office in September 2015. No application, detailed proposal, or other supporting documentation has been received from the Museum.

The municipality does not have a formal grant program that can accommodate a funding request of this size. Eligibility criteria for the Community Grants Program provides for program grants to a maximum of \$5,000 and capital grants to a maximum of \$25,000. In the absence of an itemized breakdown of project-specific costs, the eligibility of this request for consideration under the Community Grants Program as a capital grant cannot be determined. Further, the application deadline for the upcoming intake was on March 31, 2016.

The Community History category of the Grants Program is over-subscribed annually, in part due to capital funding requests from registered heritage properties, and is expected to increase in anticipation of upcoming commemorative anniversaries, notably the 100<sup>th</sup> anniversary of the Halifax Explosion, the 100<sup>th</sup> anniversary of the end of WWI, and the 150<sup>th</sup> anniversary of Confederation. Although the Halifax Explosion centennial has a separate designated grant program the maximum value of a grant is \$10,000.

Previously, Regional Council has received other requests for funding support in amounts that exceed the threshold of Community Grants and other program guidelines. Regional Council does have authority under the HRM Charter to consider requests for funding from charitable organizations, including community and recreational organizations, on a case by case basis. In this case, a similar approach could be employed as those used to assess recent requests for significant levels of funding. This approach would include a request from the proponent for additional information, after which a detailed assessment of the proposal submitted; evaluation of the project based on linkage to municipal objectives, mandate and priorities; and an exploration of potential funding options could be conducted.

The March 2016 federal budget announced new funding for arts, culture and heritage which the Army Museum could potentially investigate. In particular two new funds may be possible funding sources:

- The Canada Cultural Spaces Fund, which will provide \$168.2 million over 2 years to renovate and construct arts and heritage facilities; and
- A fund commemorating Canada's 150<sup>th</sup> birthday, which will flow \$150 million through Regional Development Agencies (e.g. ACOA) to municipalities and community organizations for improvements to community and cultural infrastructure.

These funds may also support some HRM arts and culture initiatives. As per a Council policy adopted on March 31, 2009, HRM will only endorse a community-based project once it has been ascertained that there are no HRM projects competing for the same funding program.

### **FINANCIAL IMPLICATIONS**

If Regional Council overturns the staff recommendation, a funding source would need to be identified within the existing 2016-17 operating budget, as support for this request was not included in the budget for the current fiscal year.

### **RISK CONSIDERATION**

There are no significant risks associated with the recommendation in this Report. The risks considered rate Low. In the event that the Museum is asked to approach the municipality with a detailed business plan, a risk assessment will be conducted.

### **COMMUNITY ENGAGEMENT**

Not applicable.

### **ENVIRONMENTAL IMPLICATIONS**

Not applicable.

**ALTERNATIVES**

1. Regional Council could make a motion to provide one time funding to the Army Museum. In that event, funding should be contingent on receipt by the municipality of a detailed proposal including business case, as well as successful fundraising by the proponent from Federal and/or Provincial sources. As noted in the Financial Implications section, a funding source would need to be identified for this un-budgeted item and the proposal would need to be provided to the Audit and Finance Standing Committee.
  
2. Regional Council could consider making a contribution to the Army Museum at a lesser amount than the \$75,000 request. Although this project would not be deemed eligible for a capital grant under the Community Grants program, a contribution of \$25,000 would be consistent with the ceiling allowed for capital grants under that program. Funding should be contingent on receipt by the municipality of a detailed proposal including business case, as well as successful fundraising by the proponent from Federal and/or Provincial sources. As noted in the Financial Implications section, a funding source would need to be identified for this un-budgeted item and the proposal would need to be provided to the Audit and Finance Standing Committee.

**ATTACHMENTS**

None

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Paul Johnston, Coordinator of Corporate Affairs, 902.490.6616

Report Approved by: Maggie MacDonald, Managing Director of Government Relations and External Affairs,  
902.490.1742

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